

CITY OF CARLSBAD
COUNCIL POLICY STATEMENT

Policy No. 57
Date Issued August 8, 1995
Effective Date August 8, 1995
Cancellation Date _____
Supersedes No. _____

General Subject: **AFFORDABLE HOUSING**

Specific Subject: Off-site and Combined
 Inclusionary Housing Projects

Copies to: City Council, City Manager, City Attorney, Department and Division Heads,
Employee Bulletin Boards, Press, File.

BACKGROUND

The City's Inclusionary Housing Ordinance (CMC Chapter 21.85) establishes certain requirements under which residential developers must provide housing that is affordable to lower-income households as a condition of project approval and permit issuance.

The Ordinance provides that inclusionary units "should be built on-site and, wherever reasonably possible, be distributed throughout the project site." The Ordinance also provides that "circumstances may arise... in which the public interest would be served by allowing some or all of the inclusionary units associated with one project site to be produced and operated at an alternative site or sites." This alternative is described as a "Combined Inclusionary Housing Project" or "Combined Project". The Ordinance, in addressing Combined Projects, states that "it is the exclusive prerogative of the final decision making authority of the City to determine whether or not it is in the public interest to authorize the residential sites to form a Combined Inclusionary Housing Project."

PURPOSE

It is the purpose of this policy to establish the criteria which will be utilized in order to make the necessary finding that off-site satisfaction of an inclusionary housing requirement, when proposed through a Combined Project, is in the public interest.

POLICY

The following criteria will be applied in order to make the necessary public interest finding. Each criteria is defined in terms of specific questions which, when affirmatively answered, would support an off-site option:

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1. Feasibility of the On-site Proposal.

- ▶ Are there significant feasibility issues due to factors such as project size, site constraints, and competition from multiple projects that make an on-site option impractical?
- ▶ Will an affordable housing product be difficult to integrate into the proposed market development because of significant price and product type disparity?
- ▶ Does the on-site development entity lack the capacity to deliver the proposed affordable housing on-site?

2. Relative Advantages/Disadvantages of the Off-site Proposal

- ▶ Does the off-site option offer greater feasibility and cost effectiveness than the on-site alternative, particularly regarding potential local public assistance and when applying the City's Affordable Housing Financial Assistance Policy.
- ▶ Does the off-site proposal have location advantages over the on-site alternative, such as proximity to jobs, schools, transportation, services; less impact on other existing developments, etc.?
- ▶ Does the off-site option offer a development entity with the capacity to deliver the proposed project?
- ▶ Does the off-site option satisfy multiple developer obligations that would be difficult to satisfy with multiple projects?

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3. Advancing Housing Goals

- ▶ Does the off-site proposal advance and/or support City housing goals and policies as expressed in the Housing Element, CHAS and Inclusionary Housing Ordinance?

It is likely that off-site proposals will involve "mixed" results with the application of the above criteria. The "public interest" finding shall be made when a Combined Project Review Committee made up of the City Manager, City Attorney, Community Development Director, Financial Management Director, Planning Director, Housing & Redevelopment Director, and the Mayor (ex-officio), reaches consensus that a proposal substantially and affirmatively satisfies the above criteria and that this conclusion can be appropriately documented through the use of a Combined/Off-site Project Evaluation Assessment Worksheet. (Attachment 1).

PROCEDURE

1. Projects with an inclusionary housing obligation will be processed according to the requirements of the Inclusionary Housing Ordinance.
2. Project approvals must be conditioned with the option to propose an off-site method (i.e., Combined Project) of satisfying the inclusionary obligation. A project proposing an off-site option may or may not also propose an on-site option.
3. Prior to final map or issuance of building permits, applicants must submit an Affordable Housing Agreement as described in the Inclusionary Housing Ordinance which specifically describes any off-site proposal.
4. Off-site proposals in the form of a draft Affordable Housing Agreement will be reviewed by the Combined Project Review Committee and it will be determined if the necessary findings can be made by staff.

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5. Staff's findings and recommendation, including the Combined/Off-site Project Assessment Worksheet, will accompany the Affordable Housing Agreement to the Housing Commission for action.
6. Prior to final map or issuance of building permits, the proposed Affordable Housing Agreement will be considered by City Council along with the recommendation of staff and Housing Commission.
7. City Council will be the final decision making authority in determining whether an off-site proposal is in the public interest and permitting this option.

**OFF-SITE AND COMBINED INCLUSIONARY HOUSING PROJECT
ASSESSMENT WORKSHEET**

BACKGROUND

1. Applicant Name and Address:

2. Off-site or Combined Project Name:

3. Description of Project with Inclusionary Housing Obligation:

4. Proposed On-site Project Description (if any):

5. Proposed Off-site Project Description:

6. Description of On-site Project Constraints:

| WORKSHEET | | | |
|--|--|--------------|-------------------------------|
| | ASSESSMENT CONCLUSION (Check appropriate box) | | |
| ASSESSMENT CRITERIA | DOES NOT SUPPORT OFF-SITE PROPOSAL | INCONCLUSIVE | SUPPORTS OFF-SITE PROPOSAL |
| 1. <u>Feasibility of the On-site Proposal.</u> | | | |
| a. Are there significant <u>feasibility issues</u> due to factors such as project size, site constraints, amount and availability of required subsidy, and competition from multiple projects that make an on-site option impractical? | | | |
| <u>Brief Narrative:</u> | | | |
| b. Will an affordable housing product be <u>difficult to integrate</u> into the proposed market development because of significant price and product type disparity? | | | |
| <u>Brief Narrative:</u> | | | |
| c. Does the on-site development entity have the <u>capacity to deliver</u> the proposed affordable housing on-site? | | | |
| <u>Brief Narrative:</u> | | | |
| 2. <u>Relative Advantages/Disadvantages of the Off-site Proposal.</u> | | | |
| a. Does the off-site option offer greater <u>feasibility and cost effectiveness</u> than the on-site alternative, particularly regarding potential local public assistance? | | | |

| WORKSHEET | | | |
|---|---------------------------------------|--|-------------------------------|
| | | ASSESSMENT CONCLUSION (Check appropriate box) | |
| ASSESSMENT CRITERIA | DOES NOT SUPPORT OFF-SITE PROPOSAL | INCONCLUSIVE | SUPPORTS OFF-SITE PROPOSAL |
| <u>Brief Narrative:</u> | | | |
| b. Does the off-site proposal have <u>location advantages</u> over the on-site alternative, such as proximity to jobs, schools, transportation, services; less impact on other existing developments, etc.? | | | |
| <u>Brief Narrative:</u> | | | |
| c. Does the off-site option offer a development entity with the <u>capacity to deliver</u> the proposed project? | | | |
| <u>Brief Narrative:</u> | | | |
| d. Does the off-site option satisfy <u>multiple developer obligations</u> that would be difficult to satisfy with multiple projects? | | | |
| <u>Brief Narrative:</u> | | | |
| 3. <u>Advancing Housing Goals and Strategy</u> | | | |
| a. Does the off-site proposal advance and/or support City housing goals and policies expressed in the Housing Element, CHAS and Inclusionary Housing Ordinance? | | | |
| <u>Brief Narrative:</u> | | | |
| SUMMARY | DOES NOT SUPPORT OFF-SITE PROPOSAL | INCONCLUSIVE | SUPPORTS OFF-SITE PROPOSAL |
| | | | |

Date Considered by Review Committee:

Review Committee Action:

Action: